



For Immediate Release
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PORT AUTHORITY COMMISSION DELIVERS COMMERCIAL PAPER SALE FOR PROPOSED BAYPORT FACILITY AND OTHER CAPITAL IMPROVEMENTS

HOUSTON – The Port of Houston Authority (PHA) Commission approved several recommendations involving contract awards, bids and proposals, professional services and general administrative and operational matters during its monthly meeting today. Chairman Jim Edmonds presided over the meeting in the board room at the PHA Executive Office Building.

Commercial Paper Sale

The commissioners authorized the sale of \$150 million in PHA Texas Unlimited Tax Commercial Paper Notes, Series A. The proceeds from the bonds will be used to pay a portion of the costs related to the proposed Bayport Container Terminal, Bayport Cruise Terminal and other capital improvements. The bonds were issued pursuant to the \$387 million bond issuance authorization approved by Harris County voters in November, 1999. A total of \$167 million of the original authorization will remain after the sale.

Bayport Matters

The commissioners approved a recommendation to continue an inter-governmental agreement with the City of Shoreacres for security services at Bayport for 11 months beginning August 1. The nearly \$18,000 cost for the services would be paid in quarterly installments.

The commissioners also approved a recommendation to award an estimated \$1.5 million contract to Dannenbaum Engineering Corp. for improvements to Port Road, a roadway that borders the site for PHA's proposed Bayport Container and Cruise Terminal. Dannenbaum is expected to conduct topographic and geotechnical studies as well as to develop plans, specifications, and cost estimates for drainage, utility, and traffic control systems along the road. Dannenbaum also will design the first portion of the 20-foot tall sight and sound berm that will be part of a three-mile long buffer zone around the proposed facility.

The U.S. Army Corps of Engineers (USACE) released its final environmental impact statement (FEIS) on the proposed Bayport project on May 16, initiating a public comment period that closed on July 16. The FEIS evaluates issues related to the PHA's planned facility, including potential impacts on air quality, water quality, noise, security, traffic and other environmental and social factors. The USACE will consider public comments on the FEIS prior to the preparation of its Record of Decision (ROD), which is expected in late August. The ROD will authorize one of three actions related to a construction permit for Bayport: 1) issuance of the permit, 2) issuance of the permit with modifications or conditions, or 3) denial of the permit. The USACE's permit decision is expected to be announced in September.

Although no work will be performed and no spending will be authorized until and unless the corps approves the project, beginning the process now of advertising for and receiving CSPs, bids, and quotes will save time and money when we are authorized to begin construction. The entire bidding and contracting process can take six to eight months from the time bids are submitted, evaluated by staff, reviewed by commissioners, and then awarded.

Cruise Terminal Access Control and CCTV

The commissioners evaluated and ranked firms that submitted qualifications for consideration of an estimated \$550,000 contract to design and install access control and closed-circuit television systems for the cruise terminal at Barbours Cut. ADT Security Services, Inc. was ranked first followed by Johnson Control, Inc.

Purchase of Deregulated Electric Power

The commissioners approved an agreement to continue purchasing deregulated electric power from Reliant Energy Solutions LLC. Reliant will provide power for the entire port on a month-to-month basis until the PHA completes the negotiation of a new three-year contract with TXU Energy Services.

Previously, the commission had authorized the negotiation and execution of a three-year power contract with Cirro Energy. During the final pricing period, however, Cirro revoked the agreement because it could not provide the required financial security. TXU Energy Services was the retail electric provider with the next proposal that offered the best value for the PHA's electric power requirements.

Environmental Matters

The commissioners approved a recommendation to advertise and receive responses to a RFQ for environmental consulting services to assist PHA in complying with government regulations, developing and implementing best management practices, and maintaining the rigorous standards of ISO 14001. All companies that respond to the RFQ will be evaluated for the potential to be awarded an estimated \$200,000 contract to provide services for projects involving regulatory reviews, site remediation for soil and groundwater, and field study inspections.

The commissioners also evaluated and ranked competitive sealed proposals (CSPs) that were submitted for an environmental laboratory service contract. e-Lab and Pace Analytical received the top ranking followed by AnalySys. To meet analytical requirements, the estimated \$150,000 contract is expected to be divided between two firms.

Morgan's Point Hike & Bike Trail

The commissioners evaluated and ranked firms that submitted qualifications for an engineering contract for a hike and bike trail in Morgan's Point. R.W. Patrick & Associates, Inc. was ranked first followed by TSC Engineering Co.

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The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, the 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain and other dry bulk materials, project and heavy lift cargo, and other types of cargo. Each year, more than 6,600 vessels call at the port, which ranks first in the U.S. in foreign waterborne tonnage, second in overall total tonnage, and sixth largest in the world. The Port Authority plays a vital role in ensuring navigational safety along the Houston Ship Channel, which has been instrumental in Houston's development as a center of international trade. The Barbours Cut Container Terminal and Central Maintenance Facility are the first of any U.S. port facilities to develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001. Additionally, the port is an approved delivery point for Coffee "C" futures contracts traded on the New York Board of Trade's Coffee, Sugar & Cocoa Exchange. For more information, please visit www.portofhouston.com